

Automated Commercial Environment—Requirements Recommendation

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Requirement

System should provide payment options under which calculation and payment of duties and other monies owed is separate from the release process. Characteristics of a payment system:

1. System should offer several payment approaches to address the needs of both large and small importers, transaction-based and account-based.
2. System should provide for payment without incurring interest except as provided under current law for late payments.

Business Need

The brokerage industry must retain the capability to process entries and payments on a transaction-by-transaction basis because the preponderance of importers work that way and it is the most efficient way to handle that business. Brokers will embrace period payment schemes when they are developed but *only* if there is no interest to be paid. Interest expense cannot be factored into the brokerage industry income stream unless importers are willing to pay for it. If periodic payment schemes are valuable to Customs and the government, they should design them without interest, as Canada and the UK have done.

Technical Need

Benefits

Potentially fewer transactions through ACE for funds collection.

Risks

Related Subcommittees

Revenue

Priority: **Critical** ☐ **High** ☐ **Medium** ☐ **Low** ☐

¹ Richard M. Belanger, ERP III Letter to Stuart Seidel, April 10, 2001.